

Jervois

MINING LIMITED

ABN 52 007 626 575

Date 6 February, 2013

ASX Code: JRV

Nyngan Scandium Project NSW

Jervois Mining Limited has settled its dispute with EMC Metals Inc. in relation to the above project.

The terms of the settlement transfer 100% ownership and control of the Nyngan Scandium project to EMC, in return for cash payments and a percentage royalty payable to Jervois on sales of product from the project.

The binding settlement entered into with EMC brings to an end all court actions, claims and counterclaims, including claims for damages and legal and other costs.

Highlights of Settlement

- EMC obtains 100% of the Nyngan scandium property, rights and exploration tenements,
- EMC agrees to pay Jervois A\$2.6M in cash, with completion no later than June 2014,
- Exploration tenements formally transfer on final payment, but EMC has the right to proceed with development and implementation of the project now,
- Jervois retains a production royalty on the Nyngan project of 1.7% of sales price for scandium and any other products produced from the site,
- The production royalty extends for a term of 12 years from first production date, and
- The minimum royalty payable is based on an assumption of 10 tonnes per annum of scandium oxide production.

The settlement is subject to FIRB approval in Australia to EMC moving to 100% ownership (with prior approval having been given at 50% in 2010).

The envisaged Royalty payments are dependent on development of the mine for production and in that event, should provide a source of useful cash flow for a 12 year period.

The settlement is subject to a number of pre-conditions.

By order of the Board.



Duncan Pursell.
Managing Director.

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